Volume 12 No. 2, October 17, 2005

QUOTA EXCHANGE

The second butterfat Quota Exchange of the 2005-2006 dairy year was conducted on October 17, 2005. The market-clearing price for Unused Quota Exchange was **$59.41**. There was no market-clearing price established for Used quota. The results of the October 2005 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2005-2006 dairy year will be held on November 15, 2005. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, November 6, 2005. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.

The clearing price is established at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase. To determine the clearing price of Total Production Quota, the bids to buy <u>may</u> be adjusted to five percent of annual production quota issued. This is necessary to avoid price distortion from excessively large bids.

TABLE I

<u>UNUSED QUOTA EXCHANGE (per kilogram of butterfat)</u>

Market Clearing Price per kilogram of butterfat	**$ 59.41**
Kilograms offered to Purchase – total	**12,946**
Kilograms offered to purchase at 5% adjustment	**——**
Kilograms offered to Sell	**23,758**
Kilograms sold	**12,946**
Number of Producers	
- offered to purchase	**11**
- purchased quota	**11**
- offered to sell	**14**
- sold quota	**9**

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
57.00	1	1	22	22	-12,924	12,946	0	11	0
58.00	1	2	800	822	-12,124	12,946	0	11	0
59.40	7	9	12,431	13,253	307	12,946	0	11	0
59.41	**0**	**9**	**0**	**13,253**	**307**	**12,946**	**1,330**	**11**	**1**
60.00	0	9	0	13,253	1,637	11,616	600	10	1
60.01	0	9	0	13,253	2,237	11,016	1,330	9	1
60.50	0	9	0	13,253	3,567	9,686	2,330	8	2
60.75	0	9	0	13,253	5,897	7,356	1,330	6	1
61.00	0	9	0	13,253	7,227	6,026	1,000	5	1
61.01	0	9	0	13,253	8,227	5,026	1,330	4	1
62.00	1	10	39	13,292	9,596	3,696	0	3	0
62.50	0	10	0	13,292	9,596	3,696	1,977	3	1
63.00	0	10	0	13,292	11,573	1,719	1,399	2	1
67.50	1	11	4,406	17,698	17,378	320	0	1	0
69.00	0	11	0	17,698	17,378	320	320	1	1
75.00	1	12	14	17,712	17,712	0	0	0	0
80.00	1	13	6,000	23,712	23,712	0	0	0	0
86.00	1	14	46	23,758	23,758	0	0	0	0

TABLE II

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat $ ------
Kilograms offered to Purchase – total -------
Kilograms offered to Sell -------
Kilograms sold
Number of Producers
- **offered to purchase**
- **purchased quota**
- **offered to sell**
- **sold quota**

USED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
------	0		0				0		0

QUOTA SWAP EXCHANGE

The Quota Swap Exchange was conducted on October 17, 2005. There was no market-clearing price established. The results of the Quota Swap Exchange are outlined in the following Table.

The next monthly Quota Swap Exchange will be held on November 1, 2005. All offers to swap quota through the Quota Exchange must be received at the Board office by midnight, November 6, 2005. The Board recommends that offers and bids to swap be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Swap Exchange, the price on offers to swap out unused quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Quota Swap Exchange.

Conversely, the price on offers to swap in unused quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Quota Swap Exchange.

The clearing price is established at the price where the smallest difference exists between the accumulated volume offered to swap out and the accumulated volume offered to swap-in.

TABLE III

QUOTA SWAP EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat	**$ —**
Kilograms offered to swap in	**11,250**
Kilograms offered to swap out	**9,400**
Kilograms swapped	**—**
Number of Producers	
- offered to swap in	**4**
- swapped in quota	**0**
- offered to swap out	**5**
- swapped out quota	**0**

QUOTA SWAP EXCHANGE

Price ($/kg b.f.)	No. of Sellers (swap out)	Cumulative Sellers (swap out)	Kgs b.f. offered to swap out	Cumulative swaps out	Cumulative swaps out less Cumulative swaps in	Cumulative purchases (swap in)	Kgs b.f. offered to swap in	Cumulative Buyers (swap in)	No. of buyers (swap in)
3.00	0	0	0	0	-11,250	11,250	6,250	4	1
4.00	0	0	0	0	-5,000	5,000	2,000	3	1
5.00	0	0	0	0	-3,000	3,000	500	2	1
5.50	0	0	0	0	-2,500	2,500	2,500	1	1
5.75	1	1	1,500	1,500	1,500	0	0	0	0
6.00	1	2	6,000	7,500	7,500	0	0	0	0
6.25	1	3	700	8,200	8,200	0	0	0	0
7.00	2	5	1,200	9,400	9,400	0	0	0	0

BUTTERFAT PRODUCTION AND COMPONENT PRICING, SEPTEMPER 2005

Butterfat production for September 2005 totalled approximately 646,754 kilograms. This was approximately 1.38% lower than September 2004 shipments. **For the first two months of the 2005-2006 dairy year, Saskatchewan's allocation of Total Production Quota totalled approximately 1,374,038 kilograms. Cumulatively, in the first two months, the province has shipped 95.91% of that amount.**

Please note Milk Control Board policy has been changed so that it is not mandatory for producers to achieve 97% in the first six months. However, there is a risk to producers who do not achieve 97% after six months, that being, individual producer quota suspension for the entire dairy year if the province as a whole does not achieve 97% in the first six months. If the province is over 97% at the end of the first six months, producers will not have their quota suspended even if they have not reached 97% of personal quota allocation.

The weighted average component tests and prices for the province in September are indicated in Table IV.

TABLE IV

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7515	$10.2251
Protein	3.3374	$7.2251
Other Solids (S.N.F.)	5.6833	$1.0607

Based on the average component tests for the province, the average price received was $68.5008 per hectolitre.

SASKATCHEWAN MILK POOL RESULTS September 2005

TABLE V

Milk Sale Revenue	$ 12,273.277.09
Western Milk Pool	$ -388,436.79
Dairy Farmers of Canada Skim Off	$ -18,143.18
Plant of Last Resort Service	$ -57,349.58
Total Pool Value	**$ 11,809,347.54**

QUOTA DECREASE – OCTOBER 1, 2005

The Canadian Dairy Commission formula has triggered a quota reduction of -1.17% effective October 1, 2005. In the 2004-2005 dairy year Saskatchewan did not fill its entire quota requirements and this created a carry-forward of 0.50%. This carry-forward will be applied against the quota decrease, making the net effect of the decrease to be **-0.67%** based on Total Production Quota. This decrease will be reflected in a quota license which will be mailed to producers.

ACCOUNTING VALUES FOR CLASSES OF MILK – October 2005

TABLE VI

	Butterfat ($/kg)	**Protein ($kg)**	**Other Solids ($/kg)**
Class 1a	$5.3000	$5.4908	$5.4908
Class 1b	$5.3000	$6.6286	$6.6286
Class 1c	$5.3000	$44.50 (per hl. skim milk)	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.2333	$5.1141	$5.1141
Class 3a	$7.2333	$11.9171	$0.7978
Class 3b	$7.2333	$11.6866	$0.7832
Class 4a, 4b, 4d & 4d(i)	$7.2333	$4.7347	$4.7347
Class 4a(i)	$7.2333	$1.4000	$1.4000
Class 4c	$7.2333	$4.0498	$4.0498
Class 4m	$0.00	$0.00	$0.00
Class 5a	$4.8431	$5.4228	$0.3607
Class 5b	$4.8431	$2.1551	$2.1551
Class 5c	$3.3740	$2.0000	$2.0000
Class 5d	**As determined by**	**the CDC**	

QUOTA MANAGEMENT TABLES

Please find enclosed your quota management results for September, 2005. These Tables indicate the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

For the 2005-2006 dairy year, the Board will continue to provide these Tables on a monthly basis. We hope this information will assist producers with their management decisions regarding the utilization of their butterfat quota.

If you have any questions concerning the information provided, please contact our office.

JOINT MILK CONTROL BOARD/DAIRY FARMERS OF SASKATCHEWAN PRODUCER MEETINGS

The Board and DFS are pleased to announce that they will once again hold the next session of producer meetings as a joint effort. The schedule of meetings and agenda are included at the back of this newsletter. Please plan to attend.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Swap Used for Unused

- Tim @ Sovereign Colony (306) 882-2447 would like to swap 3000 kgs used for unused quota.

Quota for Sale

- Cows and quota for sale. Contact Wes @ Rosthern Agencies (306) 232-5525 cell (306) 232-7725
- Holstein cows and quota. Call Perry or Preston Haanen @ (306) 329-4604 or 329-4981
- Quota and cows for sale (approx. 14,000 kgs). Call Jerome Fisher @ (306) 365-4674
- Cows and quota for sale. Call John or Vicki Thiessen @ (306) 946-2339
- Quota for Sale. Call Glen or Joy Hamm @ (306) 594-2855

For Sale

- Fresh and springing cows and heifers
  - contact Mark Johnson (306) 725-4042
- Dairy Hay and 6 Holstein heifers to calve in October or November
  - contact Martin Sondergaard (306) 547-2205
- 17 two year old A.I. sired Holstein Heifers to start calving October 1
  - contact Del Mealing (306) 693-2543 cell (306) 681-8207
- 1995 Muller Bulk Tank 2000 gallon
  - contact Kevin Lischka at (306) 487-2663 or (306) 487-3227
- 20 head of young Holstein cows and bred heifers and 4 breeding age bulls
  - contact Les Fornwald at (306) 487-2784
- A Westfalian Systemat Tank 1000 gallon
  - contact Earl or Scott at Eaglewood Holsteins at (306) 329-4394

MILK CONTROL BOARD MEMBERS

Leonard Blocka, Chairman	Dairy producer
Dr. David Christensen	Dairy researcher/professor U of S
Joseph Guenther	Dairy producer
David Finlay	Dairy producer
Garf Stevenson	Consumer representative
Joanne Mortenson	Processor representative

For further information, please contact the Saskatchewan Milk Control Board office.

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NOTICE OF MEETINGS
SPONSORED BY
THE SASKATCHEWAN MILK CONTROL BOARD
AND DAIRY FARMERS OF SASKATCHEWAN
OCTOBER 31 – NOVEMBER 7, 2005

JOINT MEETING AGENDA

1. Registration – 9:45 a.m. (Saskatoon meeting 9:15 a.m.)

2. Update: Markets and Production – Milk Control Board

3. Review of Milk Control Board Policy Changes – 2005-2006 Dairy Year

4. Review of Antibiotic Penalties – D. Haupstein

5. Dairy Farmers of Saskatchewan Update – E. Marquette and W. Kelly

6. Background to Bylaw Revisions to be ratified at the Annual General Meeting November 7, 2005

7. Canadian Quality Milk Update – F. Herman

8. Question Period

9. Other Business

10. Adjourn

Lunch will be served at 12 noon at all meetings.

SCHEDULE OF MEETINGS

DATE	TIME	DISTRICT	LOCATION
Monday, October 31	10:00 a.m.	#2 Swift Current	F.O.A. Eagles 1910 S. Service Rd. W Swift Current
Tuesday, November 1	10:00 a.m.	#4 & #5 Yorkton	St. Mary's Parish Ukrainian Catholic Cultural Center 240 Wellington St. Yorkton
Wednesday, November 2	10:00 a.m.	#1, & #3 Francis	Francis Hall, Francis
Thursday, November 3	10:00 a.m.	#10 Melfort	Travelodge 101 Spruce Haven Road Melfort
Monday, November 7	**9:30 a.m.**	#6,#7,#8 & #9 Saskatoon	Ramada Hotel Diefenbaker Room 806 Idylwyld Dr. N. Saskatoon

DAIRY FARMERS OF SASKATCHEWAN
ANNUAL GENERAL MEETING
1:00 p.m., Monday, November 7, 2005
Ramada Hotel – Diefenbaker Room